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The South African Newsletter of the South African Embassy in Tehran

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INSIDE THIS ISSUE:

- President Zuma's Historic Visit to Iran 2
- Article by DIRCO Minister 3
- Official Welcome Ceremony 4
- From Ambassador's Pen 5
- MoUs Signed 6
- Joint Communique 7
- President's Visit to Esfahan 9
- Meetings with Counterparts 10
- First Lady's Meeting 11
- South Africa-Iran Business Forum 12

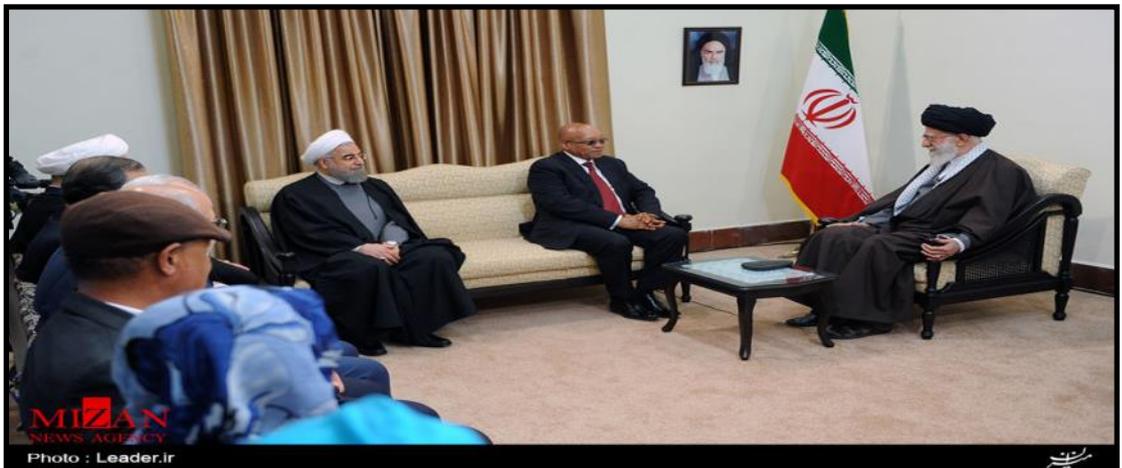
President Zuma Undertakes Historic Visit to Iran



The President of the Republic of South Africa, H.E. Mr JG Zuma, paid an extremely successful State Visit to the Islamic Republic of Iran from 23 to 25 April 2016. This marked a historic

second State Visit by South Africa to Iran, following the State Visit by President Nelson Mandela in 1999.
Continued on P. 2

President Zuma Meets with the Supreme Leader of Iran



President Zuma met with the Supreme Leader of the Islamic Republic of Iran on 24 April 2016. President Zuma was accompanied by Deputy Minister of International Relations and Cooperation, Ms. Mfeketo [The DIRCO Minister, Ms. Maite Nkoana-Mashabane was unable to attend due to a sudden death in her family], Minister of Water and Sanitation, Ms. Mokonyane, Minister of Economic Development, Mr. Patel and Ambassador Whitehead. Ayatollah Khamenei described Iran's viewpoint on South Africa as positive and constructive, and mentioned that "Relations between Iran and South Africa are very cordial and the two countries' cooperation with each other at global bodies is very helpful and effective, but economic and trade ties must be also enhanced in proportion to the two countries' poten-

tialities." Noting that South Africa has always been opposed to Western sanctions against Iran, President Zuma mentioned that "There are abundant and untapped grounds for enhancing cooperation between the two countries and we try to have a fresh start in economic and trade ties." President Zuma also mentioned that "Certain powers try to prevent development of relations among independent nations under unjustified pretexts, but we can resolve many problems through unity and harmony in [dealing with] global issues." President Zuma stated that one ground for cooperation would be making efforts to change structure of the United Nations and the Security Council.
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President Zuma Undertakes Historic State Visit to Iran

Continued from P. 1

The State Visit was preceded by the Deputy President's Official Visit to the Islamic Republic of Iran from 7 – 9 November 2015, the 12th meeting of the Joint Commission (JC) between South Africa and Iran held in Tehran in May 2015 and the subsequent 6th Deputy Ministerial Working Group (DMWG) Visit to Tehran in August 2015, as well as other high level Ministerial and Deputy Ministerial visits to Iran and South Africa in 2015. President Zuma was accompanied by Deputy Minister Mfeketo of International Relations and Cooperation; Minister Patel of Economic Development; Minister Joemat-Pettersson of Energy; Minister Gordhan of Finance; Minister Davies of Trade and Industry; and Minister Mokonyane of Water and Sanitation, all of whom also undertook individual programmes before and after the visit.

province.

As a result of the visit, bilateral political, economic and people-to-people relations between South Africa and Iran have been elevated into a substantive, strategic partnership that will benefit both countries and its peoples. Eight MoUs were signed in various areas, with negotiations on a number ongoing. Most important of all, both Parties agreed to translate the strong fraternal and cordial relations between the two countries into tangible projects, particularly in the trade, investment and economic sector.



The President's visit to Iran occurred at an opportune time, following the strong momentum in bilateral relations and the lifting of nuclear-related sanctions against Iran by the United States, European Union and the United Nations, resulting from the conclusion of the Joint Comprehensive Plan of Action (JCPOA) between Iran and the P5+1 countries and the subsequent compliance with the terms of the JCPOA by Iran.

A large business delegation accompanied the President to Iran and engaged with their Iranian counterparts during a South Africa – Iran Business Forum held on 24 and 25 April 2016. A number of tentative agreements were reached, including in the banking and energy sectors.

The President's programme consisted of a tete-a-tete with President Rouhani; an official welcome ceremony; official bilateral talks between the South African and Iranian delegations, led by the two Presidents; a press conference and signing of MOUs; an official luncheon hosted by President Rouhani; an address to the South African – Iranian business delegation, a meeting with the Grand Ayatollah Ali Khamenei and a visit to the Isfahan



South Africa strengthens bilateral trade relations with Iran

An article by the Minister of International Relations and Cooperation of South Africa, Ms. Nkoana-Mashabane on President Zuma's State Visit to Iran which was published in South Africa's **Sunday Independent** on May 01, 2016:

The recent state visit by President Jacob Zuma to the Islamic Republic of Iran took place at an opportune time following the lifting of sanctions against Iran. South Africa had consistently pledged its solidarity with Iran during the sanctions period and supported Iran's inalienable right to pursue nuclear technology for peaceful purposes.

South Africa recognizes that Iran is a pivotal and influential player regionally and internationally. Iran has a large and growing economy and possesses skills and expertise that could influence the countries around it – and even beyond – in a very positive manner. Iran is one of the world's largest sources of energy, be this crude oil or gas.

South Africa-Iran relations date back to pre-1994 when Iran supported South Africa's liberation movement by severing relations with the apartheid regime in 1979 and imposing a trade boycott.

In 1994, Iran lifted all trade and economic sanctions against South Africa and re-established diplomatic relations on May 10 1994.

During his visit to Iran in September 1996, the late President Nelson Mandela noted that, after the Iranian revolution of 1979, the country "sacrificed much in support of our cause" and "refused to oil the [apartheid] system which the world regarded as a crime against humanity".

Trade between South Africa and Iran was interrupted by the imposition of unilateral sanctions against Iran primarily by the US and the EU, rather than the UN Security Council. The sanctions impacted negatively on our own economic development agenda.

Iran was one of the biggest suppliers of crude oil to South Africa prior to the sanctions. Whereas South Africa imported about one-third of its crude oil requirements from Iran in 2011, it was forced to end imports by June 2012 altogether, due to the sanctions.

As a result, total trade between the two countries stood at R 358 million by 2015.

This figure does not reflect the optimal capabilities of the two economies. Despite the setback of sanctions, South Africa remained committed to consolidating bilateral relations with Iran.

With the sanctions now lifted, there is immense potential for closer commercial and investment co-operation between the two countries, including the eventual resumption of crude oil imports from Iran.

President Zuma and President Hassan Rouhani undertook to take co-operation to a higher level in the fields of trade, education and skills development; science and technology;



Photo dates back to May 2015

energy, including petrochemical, gas exploration and refining capacity; agriculture; mining and mineral beneficiation; infrastructure development and transport; finance, banking and insurance; and tourism.

Among the eight Memoranda of Understanding (MOUs) signed during the state visit was the establishment of the Joint Investment Committee, which puts in place a measured and pragmatic form of co-operation. These measures will enable us to significantly increase our level of trade.

The MOUs on Insurance Co-operation and on Co-operation in the Field of Trade and the accompanying Roadmap, provides a good departure point for establishing financial and banking relations in order for our two countries to strengthen economic and trade co-operation.

The establishment of the South Africa-Iran Business Council will further compliment the objectives of the Roadmap.

This would translate into tangible deliverables and would add further impetus towards expanding on the economic ties between our respective business communities.

The MOUs between the Petroleum Oil and Gas Corporation of South Africa and the Research Institute of Petroleum Industry will attract inward investment into South Africa in the petrochemical sectors with emphasis on co-operation in the construction of a South African refinery and supply of crude oil from Iran.

President Zuma and President Rouhani agreed to increase non-oil trade to a billion dollars by 2020.

It is imperative that the two countries focus on diversifying trade.

Apart from the focus on improving economic and trade relations, President Zuma's visit also provided an opportunity to solidify co-operation with Iran on a broader range of issues.

President Zuma who arrived in Tehran on 24 April 2016 was officially received at the Presidential Palace at Sa'ad Abad, Tehran by the President of Iran.



After the official welcome ceremony, the two Presidents met for a tête-à-tête with the attendance of Iran's Foreign Minister, South Africa's Deputy DIRCO Minister and Ambassador Whitehead.



ISNA PHOTO: ABOOLVAHED MIRZAZADEH



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photo by ISCA News

From Ambassador's Pen

The perilous journey that the Islamic Republic of Iran traversed through the rocky straits of the P 5 + 1 nuclear negotiations has culminated in a plethora of envoys and business delegations descending upon Tehran. These visitors are mostly drawn from among countries that were formerly vehemently against the Persian nation. Their appetites have been whetted by the prospects that the Iranian market potentially presents. Those of us who have been victims of colonialism cautiously watch and are reminded of a period in history when settlers came from across the oceans and gave the San and the Khoi mirrors and trinkets for their land and cattle.

The State Visit by President JG Zuma accompanied by Dirco Deputy Minister Nomaandia Mfeketo, Cabinet Ministers Pravin Gordhan, Rob Davies, Nomvula Mokonyane, Tina Joemat and Ebrahim Patel contrasts remarkably from most visitors because of the long established relationships anchored in friendship, solidarity and common struggle, which was nurtured by the two founding fathers of our countries, Nelson Mandela and Ayatollah Khomeini. The crowning moment of the State Visit was the meeting between President Zuma and Ayatollah Khomeini. Warmth, openness and commonality of interests on matters both national and regional, informed by each country's own existential experience, opened up avenues for consolidation of strategic relations.

A characteristic feature of the visit was a commitment by both parties to translate the strong fraternal relations into tangible and achievable outcomes. Emphasis was placed on the need to foster mutual and beneficial cooperation between their peoples. The eight memorandums signed that include among other culture, agriculture, hydrocarbons, money laundering and the formation of a joint investment committee are specific, measurable and achievable. These are underpinned by the need to tap into the diversities of the two countries economies but not to exclude oil and gas. While trade has significantly dropped due to sanctions, Iran and South Africa have agreed to target total output of trade between the two countries to the tune of \$2 billion by the year 2020.

President Zuma and President Rouhani recognised the strategic positions of both countries in Africa and the Middle East. They emphasized the instrumental roles they could play in these regions to enhance development, prosperity and peace.

Both countries are members of the Non Aligned Movement and recommitted themselves to the ideals governing the organization. They committed themselves to work through Multilateral Organizations for the resolution of

Palestinian Question and the return of its people to the land of their birth.



President Zuma was accompanied by a strong business delegation drawn from Tourism, Mining, Manufacturing, Energy/Alternative Energy and Investment. There was much interest among the two counterparts to establish partnerships to engage in trading in commodities and co-invest in each other's countries and businesses. In his address President Zuma urged delegates to look at long term sustainable relationships that will not only impact on the counties but their regions.

The South African Embassy in Tehran is urging businesses in various industries to exploit opportunities currently on offer coupled with goodwill and friendship that Iranians so demonstratively express towards our country. It is the early bird that catches the fattest worm. Wa lala, wa sala!

Iran is poised on the threshold of integrating into international trade and commerce. It is however, not as smooth as it should be. Some of the powers that were part of P5+1 are engaged in delaying tactics to slow the pace of implementation of the JCOPA. Whilst Iran negotiated in good faith, land mines have been planted along the road to Iran accessing its frozen assets as well as its full entry into the global banking system. South Africa has also been a victim of the sanctions that were imposed on Iran. Shareholders of a leading South African company can't receive a return on their investment because of regulations imposed by the OFAC.

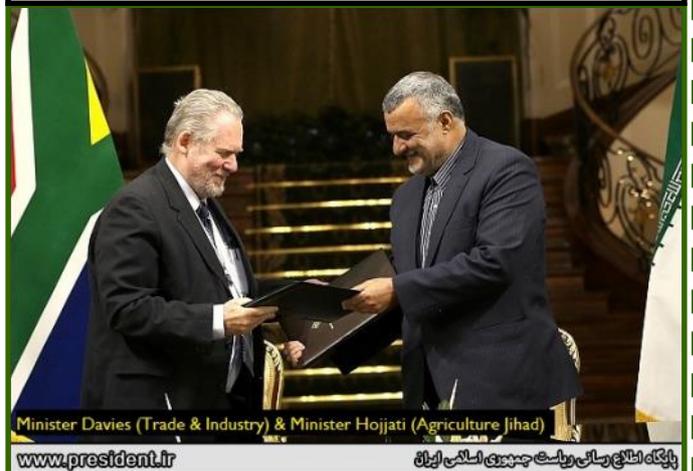
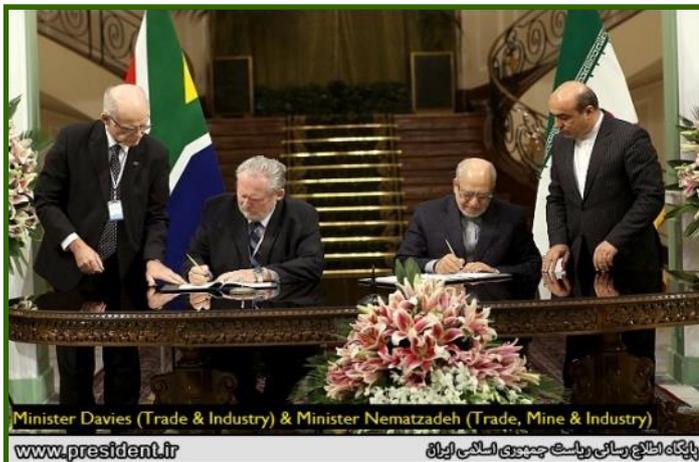
Iran survived unjust international sanctions and against all odds the people of the Islamic Republic survived. Their creativity, inventiveness and innovation came to the forefront. Today Iran is in the forefront of many scientific and technological inventions. It is easy to believe that despite the challenges and hardships that they are accustomed to the will and tenacity of Iranians will prevail.

It is against this backdrop that we should ponder the progress we have registered as mankind in this millennium. Stakes are weighed against our species. However, there is an opportunity to create a new world order premised on equality, and the recognition of the centrality of human dignity. The old archaic production relations that are in our DNA are currently threatened, moribund, in decay and will soon be obsolete. The Machiavellianism that currently characterizes international relations is steeped in megalomaniac medieval

Continued on P. 8

During the visit, the following MoUs were signed by the two sides:

1. Memorandum of Understanding on Cooperation in the field of Trade and Industry;
2. Memorandum of Understanding on the Establishment of an Investment Joint Committee;
3. Memorandum of Understanding on Agricultural Cooperation;
4. Memorandum of Understanding on Cooperation in the field of Water Resources Management;
5. Programme of Cooperation in the fields of Arts, Culture and Heritage for the Years 2016 – 2019;
6. Memorandum of Understanding on Cooperation between Petroleum Oil and Gas Corporation of South Africa (PETROSA) and the Research Institute of Petroleum Industry (RIPI);
7. Memorandum of Understanding between the Financial Intelligence Unit of the Islamic Republic of Iran and the Financial Intelligence Centre of the Republic of South Africa concerning cooperation in the exchange of Information related to Money Laundering and Terrorist Financing.
8. Memorandum of Understanding on Insurance Cooperation between Bimeh Markazi Iran (Central Insurance of the Islamic Republic of Iran) and Financial Services Board of South Africa.



Joint Communiqué

Joint Communiqué Between

The Islamic Republic of Iran and the Republic of South Africa

On the Occasion of the State Visit of H.E. Mr. Jacob Zuma, President of the Republic of South Africa to the Islamic Republic of Iran

(April 23-25, 2016 corresponding to 4-6 of Ordibehesht 1395)

On the invitation of His Excellency Dr. Hassan Rouhani, President of the Islamic Republic of Iran, H.E. Mr. Jacob Zuma, President of the Republic of South Africa, paid a state visit to the Islamic Republic of Iran from April 23rd-25th, 2016 corresponding to 4th-6th of Ordibehesht 1395. H.E. Mr. Jacob Zuma was accompanied by several members of his Cabinet and senior officials of government as well as a large delegation from the private sector.

1- Grand Ayatollah Ali Khamenei, Supreme Leader of the Islamic Republic of Iran received H.E. Mr. Jacob Zuma, during the visit on 24th April 2016. (Corresponding to 5th Ordibehesht, 1395).

2- In his talks with H.E. Dr. Hassan Rouhani, H.E. Mr. Jacob Zuma conveyed warm greetings and a message of friendship from the people of South Africa to the people of the Islamic Republic of Iran.

3- During the visit, the following MoUs were signed by the two sides:

- Bilateral Cooperation in the Agricultural sector
- Cooperation between PetroSA and the Research Institute of Petroleum Industry (RIPI)
- Cooperation in the Exchange of Information related to Money Laundering and Terrorist Finance
- Insurance Cooperation
- Establishment of a Joint Investment Committee
- Water Resources Management
- Cooperation in Trade and Industry
- Cooperation in Arts and Culture

4- The two sides held fruitful discussions on a wide range of bilateral, regional and international issues:

A) - Bilateral Relations:

The discussions between the Presidents, Ministers and senior officials of the two countries were held in the spirit of friendship. Both sides expressed satisfaction with the current status of strong bilateral relations and the two Presidents called for the further strengthening and deepening of relations in the political, economic, scientific, energy, and socio-cultural fields.

The two Presidents emphasized the importance of regularly exchanging high-level political, economic and cultural visits between their countries in order to further strengthen their bilateral ties. They also emphasized the need for continued consultations, to keep each other

informed of their respective positions on regional and international developments, including consultations on multilateral issues.

Both parties expressed satisfaction with the Joint Commission as the key mechanism regulating bilateral relations. They emphasized the need for the Joint Commission to continue meeting on a regular basis and further directed their respective Ministers to convene the thirteenth session of the Joint Commission, before the end of 2016 in Pretoria.

Trade, Investment and Tourism

Both parties reflected on the huge potential to scale up two-way trade. They directed their senior officials to implement the Roadmap on Trade and Investment and expressed the desire for two-way trade to reach USD 2 billion by 2020.

The President of the Islamic Republic of Iran invited the private sector of South Africa to invest in various sectors of his country's economy, likewise President Zuma also called upon the Iranian private sector to consider investing in key economic sectors in South Africa.

Both sides also held further discussions to explore collaboration in the financial sector, including the re-establishment of banking relations. They also discussed the exploration of collaborative initiatives in the oil and gas sector.

Recognizing the critical importance of water resource management, both parties agreed to explore collaboration in a wide range of issues in the water sector.

The Presidents also held discussions to collaborate on constructive interactions in Science and Technology.

Both parties expressed the desire to broaden people-to-people interactions and to scale up two-way tourism, including exploring direct flights between South Africa and the Islamic Republic of Iran. Both parties emphasized on the need to explore cooperation in the fields of shipping and maritime transport.

B) - Africa:

The two sides agreed to co-operate in the maintenance of peace and security in Africa. South Africa took note of the Islamic Republic of Iran's commitment to assist with Africa's Development Plan.

C) - Regional and International issues:

On regional and international issues, the two sides underscored the need for continuing consultations and the exchange of views between officials of the two countries and their representatives in international organizations, in line with enhancing international cooperation.

The two sides, based on their shared goals, in ensuring that the Middle East is a region of peace and security, called on the international community to support the peaceful resolution of the conflicts in Syria, and Yemen. Both sides emphasized their continued support for the Palestinian cause.

South Africa complimented the Islamic Republic of Iran for the able manner that it continues to Chair and provide leadership in the Non-Aligned Movement (NAM). Both sides further stressed the

From Ambassador's Pen

importance of promoting the role of the Non-Aligned Movement (NAM) in pursuing common positions on issues of priority.

Human Rights

The Islamic Republic of Iran and the Republic of South Africa noted that the respect for human rights and fundamental freedoms should be a priority and not an option. In this regard, both sides agreed to have regular consultations on human rights issues at both bilateral and multilateral levels. Both sides agreed to activate the agreed upon structured Human Rights Dialogue before the end of 2016.

Nuclear issues

Both parties welcomed the confidence-building measures and constructive cooperation between the Islamic Republic of Iran and the P5 + 1 in addressing the issues related to the Islamic Republic of Iran's Nuclear Program. South Africa welcomes the agreement reached on the Joint Comprehensive Plan of Action (JCPOA), and commended the Islamic Republic of Iran for its honest and serious engagement in the negotiations, and the simultaneous agreement reached with the International Atomic Energy Agency (IAEA) on the Framework for Cooperation, as well as its full compliance with these agreements.

Both parties stressed the importance of other partners and the related international organizations in fulfilling their obligations and commitments under the agreement. Both parties also noted that the implementation of the JCPOA and that the continued cooperation between the Islamic Republic of Iran and the IAEA clearly demonstrated the value of diplomatic solutions in resolving differences. South Africa recognizes the Islamic Republic of Iran's right to develop a nuclear program for peaceful purposes. South Africa also stressed the need for the lifting of all remaining unilateral sanctions.

Terrorism

The two sides expressed their deep concern on the severe consequences of terrorism on peace, security and development. They agreed that terrorism and its negative consequential impact, has no geographic boundaries and called upon the international community to work towards consensus building in eradicating all forms of terrorism and to work in a collaborative spirit in fighting terrorism globally.

5- At the conclusion of the visit, His Excellency Mr. Jacob Zuma, expressed his gratitude for the warm and generous hospitality extended to him and the South African delegation, including the warm reception received from the Governor of Isfahan during the visit to the historic city of Isfahan. His Excellency President Zuma extended an invitation to His Excellency Dr. Hassan Rouhani to pay a state visit to South Africa at his earliest convenience.

Continued from P. 5

practices belonging to the abyss of the primeval stage of humankind's development.

Let a new world order arise. One based on the current and future challenges. This is a world wedged in multilateralism, kindred phenomenon, partnerships and cross cultural and inter continentalism. This is the only vehicle capable of the current pressing challenges. We demand a world in which the strong will not intimidate the weak and timid.

One in which all combined competitive advantages will be mobilized in the interest of the greater good.

It is for this reason that we say Iran is friend to South Africa and South Africans remain true to their friends. A testimony to these strong bonds of solidarity are best epitomized in the words of the great Iranian poet Hafez which are:

Zephyr, bring the fragrance of the dust of the path of
my friend
Remove the load of my grief, bring glad tidings from
my friend

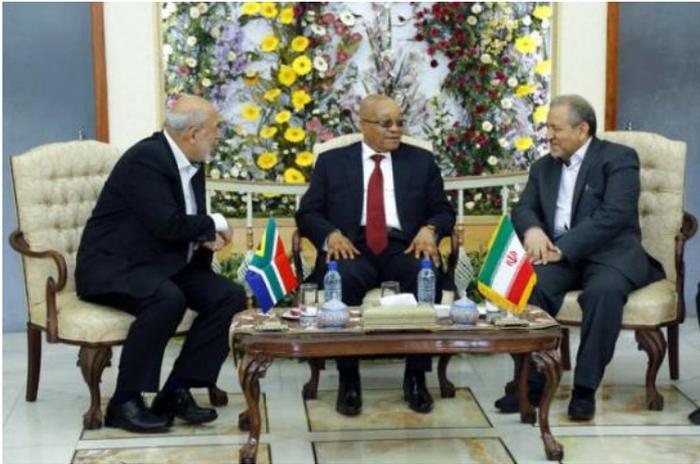
Repeat soul- exhilarating words from the mouth of my
friend
Bring me a letter of sweet tidings from world of se-
crets from my friend

Bring me some sweet aroma of the fragrant breath of
my friend,
That I may refresh myself with the favoring gale of my
friend

I beg you by your fidelity to bring the dust of the path
of my friend,
But not a pinch of a dust trodden by strangers in the
path of my friend

President's Visit to Esfahan

President Zuma also paid a visit to the beautiful city of Esfahan on 25 April 2016 and was hosted by the Office of Governor General of Esfahan, Mr. Zargarpour.

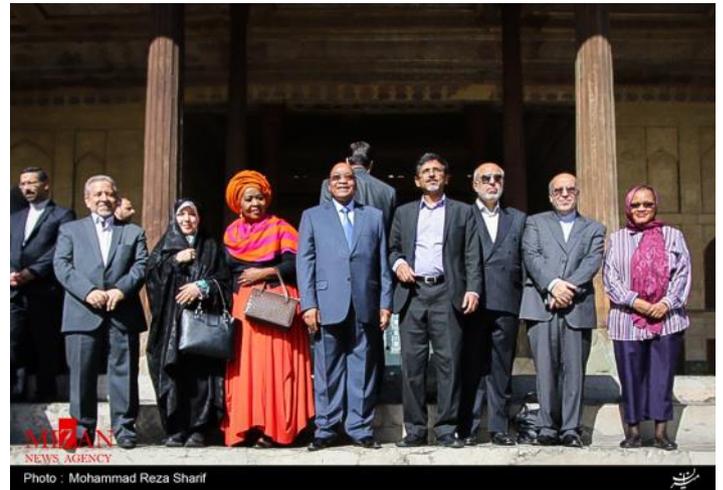


Esfahan Governor General hosted a lunch ceremony at Abbasi Hotel in the honour of the South African President.



In Esfahan, the President and the accompanying delegation visited some of the city's historical monuments.

The President left Esfahan for South Africa on the same day.



Meetings with Counterparts

South African Energy Minister Ms. Joemat-Pettersson met Iranian Petroleum Minister Mr. Zangeneh on 23 April 2016 to discuss oil and energy cooperation, including resumption of crude exports.

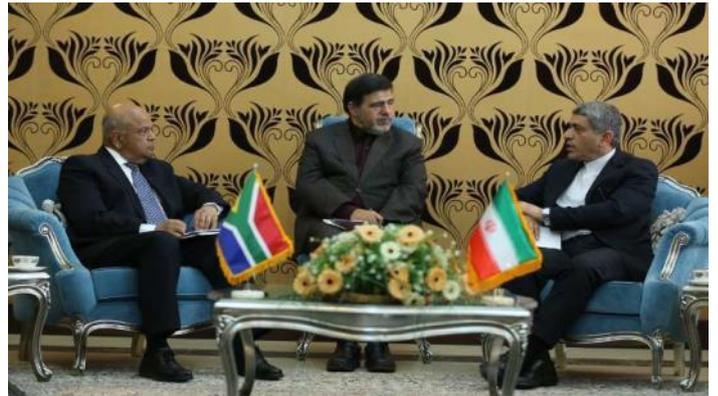


Shana/Photo: Hasan Hosseini



Finance Minister Gordhan met with Minister of Economic Affairs and Finance of Iran, Minister Tayebnia to discuss the restoration of financial and banking ties.

Energy Minister Ms. Joemat-Pettersson also met with Iranian counterpart, Energy Minister Hamid Chitchian on 23 April 2016 to discuss cooperation in the renewable energy sectors.



The South African Minister of Trade and Industry, Dr Rob Davies held a bilateral meeting with Iran's Minister of Industry, Mines & Trade: Mr Nematzadeh on Friday 22 April 2016. In this meeting a number of trade and economic items including mutual opportunities and a roadmap to increase trade to USD 2 billion by 2020 were discussed.

Deputy Foreign Minister Hossein Amir Abdollahian and Deputy Minister for Department of International Relations and Cooperation met on 23 April 2016 to discuss bilateral ties and regional developments.

The meeting took place on the threshold of imminent visit of South African President Jacob Zuma to Tehran in the coming hours.



SMT NEWSPAPER
Photo: Mehdi Kaveh

South African First Lady Met with Iranian Vice-president for Women and Family Affairs

South Africa's First Lady Bongki Ngema-Zuma and Iran's Vice President on Women and Family Affairs Shahindokht Molaverdi, discussed women's empowerment as a key and high-priority plan for both governments, at a meeting in Tehran on 24 April 2016.

At the meeting at the vice presidency, the two sides explored avenues of cooperation in the area of women's affairs.

Ngema-Zuma mentioned that "When women are empowered, nations and governments are strengthened."

While expressing hope for future collaboration with Iran on matters relating to women and family affairs, she pointed to efforts underway to curb gender ine-



quality in her country. significant goals within the much-anticipated five-year economic, social and cultural development Plan (2016-2021)."

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quality in her country.

"After the transition from the apartheid system in 1994 to one of majority rule, we are seriously pursuing the elimination of inequality and gender-bias in laws," she said.

Noting that extending nationwide health coverage is a major goal, the first lady said a workgroup under her auspices is tasked with enabling women in rural areas of South Africa.

"We are carrying out educational and training projects in rural areas at two levels. Wide-scale information on cancer and osteoporosis is another program aimed to promote the health status of women and raise national health indices," she added.

Shahindokht Molaverdi also explained that the Rouhani government has ushered in a new era of activities and efforts to empower women and harness their maximum capacities for sustainable development." she added that "We are hoping to achieve



South Africa - Iran Business Forum

Iran Chamber of Commerce, Industry, Mines & Agriculture (ICCIMA), with collaboration of the South African Embassy in Tehran, held a Business Forum with participation of about 400 Iranian companies, and the South African business delegation at the Chamber venue.

In this event H.E President Zuma, H.E Mr Nemat-zadeh, Minister of Industry, Mine, and Trade of Iran, H.E Dr Rob Davies, Minister of Trade and Industry of South Africa, and a number of South African and Iranian Government Officials were present.

The South African business delegation represented the following sectors:

Mining, mineral processing, financial services, water purification, freight forwarding and logistics, tourism & hospitality, oil, gas, petrochemicals, rail, engineering, infrastructure, pharmaceutical, and chemical.

The Business Forum consisted of two sessions: the official opening ceremony and the business-to-business (B2B) session.

In this session, **Mr Khansari, Vice-President of the Chamber**, said that Iran is interested in re-establishing the trade relations with South Africa in different sectors such as banking, ecommerce, insurance, oil & gas and petrochemical, mining, automotive, pharmaceutical, transportation and ICT sectors.

Dr Rob Davies, Minister of Trade and Industry, stated that the aim of South Africa is to expand the trade relationship with Iran. The volume of already existing bilateral trade is very low. Because of the sanctions, bilateral trade between the two countries is 2% of what it was in 2011.

Two MOUs were signed in trade & investment, he mentioned:

- MOU of Department of Trade & Industry (DTI) with Iran Ministry of Industry, Mine & Trade for trade and attached a road map for expansion of trade.

- MOU to establish joint-investment committee to deal with foreign investment in both countries.

Earlier, the two countries signed an MOU for coop-

eration in the agriculture and agro-processing sectors.

The two countries can mutually cooperate in different sectors such as motor manufacturing, mining equipment and pharmaceutical industry as a strong basis between the two nations.

Mr Zungu, South Africa's representative of private sector said that South Africa's business sector

never supported unilateral sanctions against Iran, and now they welcome lifting of sanctions. He also said that trade must be restored to the level before the sanctions. He also said that there is an opportunity for cooperation in the field of water and sanitation. They welcome Iranian investment in the network of pipelines in South Africa to

transfers water to the rural and mining areas.

President Zuma's remarks in this session were as follows:

Ba Salaam va Dorood! It is a great honour for me to address this important gathering of Captains of Industry, both from South Africa and the Islamic Republic of Iran. I am confident that today's meeting will further cement our economic co-operation ambitions as we enter a new era in our relationship.

I would like to extend a word of gratitude for the gracious hospitality extended to the South African delegation during our visit. We are indeed heartened by your generosity and warmth. We would further like to commend the Islamic Republic of Iran for its constructive cooperation with the P5 + 1 in addressing the issues related to the Islamic Republic of Iran's Nuclear Program as well as its perseverance and dedication towards achieving the compliance measures levelled by the International Atomic Energy Agency in attaining a nuclear-related sanctions free Islamic Republic of Iran. I am of the firm belief that this tenacity and perseverance demonstrated by the people and the government of the Islamic Republic of Iran will continue resolutely as you reintegrate into the global economy and take your rightful place on the global stage.

At the outset, as we reflect on our bilateral relationship, allow me this opportunity to express our gratitude for the role the Islamic Republic of Iran played in



supporting South Africa's liberation struggle and for being a strong ally internationally and in the Non-Aligned Movement. To this end, we commit to the People of the Islamic Republic of Iran, to grow our cooperation at different levels towards the achievement of our joint economic goals. I wish to assure you that South Africa is a reliable partner that is committed to an equitable economic partnership with the Islamic Republic of Iran on a win-win basis, through economic cooperation, including the transfer of technology, expertise and productive capacity.

Ladies and Gentlemen, South Africa has categorically condemned the imposition of unilateral sanctions against the Islamic Republic of Iran and applauds the recent lifting of many of these sanctions. We believe the conclusion of the nuclear deal between the Islamic Republic of Iran and the P5+1 enables our Iranian brothers and sisters to rebuild their economic future; one that will be rivaled by many of the developed nations as they stand tall once again on the global economic stage. We are here to partner with you in realizing such a future.

The imposition of sanctions on the Islamic Republic of Iran impacted negatively on our own economic development agenda as the Islamic Republic of Iran was one of the biggest suppliers of crude oil to South Africa prior to the imposition of sanctions. We, however, continued our engagements within the Joint Commission, the cornerstone of our bilateral relationship, which was established in 1995. In addition to this, owing to the strategic importance of the South Africa-Iran relationship, we tasked the Deputy Ministers of the respective Foreign Ministries to formalize a Working Group. The mandate of this particular structure was expanded to not only realize the pre-sanction trade levels but also to significantly increase the quantum and quality of our economic engagements. As a further demonstration of our commitment towards the people of the Islamic Republic of Iran, I had requested my Deputy President to undertake a visit to the Islamic Republic of Iran in November 2015 accompanied by a formidable business delegation from South Africa. I was informed that this particular visit yielded much fruit, with the signing of the following 3 Memoranda of Understanding:

- A Trilateral Memorandum of Understanding between MINTEK, the Iranian Mines and Mining Industries Development and Renovation Organisation and Iran Mineral Processing Research Centre;
- An MoU between the Financial Intelligence Centre and the Financial Intelligence Unit of the Islamic Republic of Iran on Information Exchange concerning Anti-Money Laundering and Combating of Financing Terrorism; and
- The last MoU between the Securities and Exchange Organisation and the Financial Services Board in Relation to Assistance and Mutual Cooperation in the Capital Markets Sector.

Distinguished Guests, we return yet again to the Islamic Republic of Iran with a renewed sense of hope and vigour. I am convinced that we will be able to devise pragmatic solutions towards our bilateral economic challenges as we embark on re-

building our relationship and look forward to a more robust and engaging trade relationship going forward.



In pursuance of this, you would observe that I have been accompanied by a large group of South African companies in an array of sectors including, amongst others, agriculture; telecommunications; financial services; mining; chemicals and energy. Ladies and Gentlemen, the sizeable delegation aptly articulates the seriousness that we accord to strengthening our trade, investment and economic bilateral relations.

Ladies and Gentlemen

South Africa views the Islamic Republic of Iran as a strategic trading partner within the Middle East and Central Asian regions. Within the bilateral sphere, South Africa and the Islamic Republic of Iran share a long historical relationship. Total trade, however, has unfortunately been falling over the past decade owing to, amongst others, the non-existence of banking relations between South Africa and the Islamic Republic of Iran and the various sanctions imposed by the West.

As of 2015, total trade between our two sides stood at three hundred and fifty eight million rands (R358 million). You would agree, Ladies and Gentlemen, that this figure does not reflect the optimal capabilities of our two economies. I am pleased to announce that earlier today, in recognition of this, His Excellency President Rouhani and I agreed to set a target of increasing non-oil trade to two billion dollars by 2020. It is imperative that we focus on diversifying our respective trade baskets in favour of value-added trade. This would add much impetus towards addressing issues of job creation and skills and technology transfer in both our countries. In addition, investment has been identified as an important area of cooperation with major investments already being undertaken by MTN. In this regard, I welcome the Memorandum of Understanding on the establishment of the Joint Investment Committee which puts in place, a measured and pragmatic form of cooperation. I am of the firm belief that these measures will enable us to significantly increase our levels of trade.

I believe the MoU on Cooperation in the Field of Trade and Industry that we signed today, which was one of 8 MoUs that were signed, and the accompanying Roadmap provides a good departure point for strengthening our economic cooperation. It aptly outlines the objectives that both our sides wish to achieve. I, however, believe that this would not be optimally realized in the absence of your involvement, the Captains of Industry. It is in this regard that I welcome the establishment of the envisaged South Africa-Iran Business Council. It is imperative that the Council members streamline their planning so

As to complement the objectives of the Roadmap. I believe that this would translate into tangible deliverables and would add further impetus towards expanding on the economic ties between our respective business communities.

on the economic ties between our respective business communities.

Ladies and Gentlemen;

As we embark on this journey of re-building our trade ties, allow me to reassure you, that South Africa is well positioned to deliver on its commitments as outlined in the various agreements entered into by the different Ministries.

South Africa has an open economy and provides a sound business case for investment and profit. Our country offers a diversified base of industrial sectors and has a large number of competitive industries, abundant natural resources and well-developed transport and logistical infrastructure. Our financial systems are stable and we have a sound constitution and institutional framework to protect property rights.

South Africa offers many opportunities not only for access to a growing domestic market but also as a platform to the dynamically growing markets of the African continent. Investors enjoy robust protection in South Africa, comparable to the highest



international standards, and the Organisation for Economic Co-operation and Development rates South Africa as among the least restrictive jurisdictions for investment.

Ladies and Gentlemen, South Africa is the leading regional hub location for companies seeking to establish themselves in the African region. The checklist of primary considerations includes our infrastructure capabilities, which allow for direct air linkages to the rest of the Continent. In addition to this, according to the Global Competitiveness Report of 2015-2016, South Africa is ranked as number 49 out of 140 countries. This is an improvement of at least 7 places, largely due to the increased uptake of Information and Communications Technologies, notably through improvements in Internet bandwidth and innovation. South Africa is also ranked at number 38, in terms of its innovation, therefore making it the region's most innovative economy. Strong domestic competition and an efficient transport infrastructure has enabled us to possess the continent's most efficient financial markets. This can also be attributed to strong institutions particularly property rights and a robust and independent legal framework.

We call upon you, the Captains of Industry from the Islamic Republic of Iran to partner with us in the implementation of a number of key areas wherein I believe we both share mutual interests and would be able to derive much benefit. These include building the agriculture and agro-processing value-chain, unlocking the potential of SMMEs, joint cooperation in energy projects and growing the Ocean Economy amongst others. Another exciting area for partnership is Operation *Phakisa*, which is a strategy aimed at unlocking the economic growth potential stemming from South Africa's vast ocean coastline. Operation *Phakisa* consists of the following four work streams: (1) marine transport and manufacturing; (2) offshore oil and gas exploration; (3) aquaculture; and (4) marine protection services and ocean governance. Ladies and Gentlemen, the aforementioned work streams offer a myriad of opportunities for partnerships between South African and Iranian companies and I encourage you to engage the respective officials spearheading these initiatives to optimize on the possibilities that exist.

Ladies and Gentlemen

This exponential growth potential in South Africa and the African Continent calls for serious consideration by global investors and business leaders like you. We would like to encourage you, as Captains of Industry, to consider the exciting opportunities that South Africa and Africa has to offer as we continue to set the pace in the calls for building a more equitable global political and economic order.

Distinguished Guests, the Islamic Republic of Iran's observer status within the African Union augurs well for our ambitions of advancing the economic agenda on the African continent. Africa features prominently in South Africa's foreign national policy directives and our growth trajectory is inextricably intertwined with the development of the African Continent. South Africa is pleased that the Islamic Republic of Iran has set up an Africa Task Force to increase commerce with Africa, and we encourage Iranian business to intensify their interaction with Africa, which is now widely recognised as a promising new growth pole in the world economy.

Ladies and Gentlemen, we as Government and the business community are here to reassure you that South Africa is open for business. As governments, we seek to create an environment conducive for mutually-beneficial trade to occur. In order to do this we need to identify those areas where complementarities and comparative advantages exist. Working together, I believe we can leverage the myriad of opportunities that exist to steer the South Africa – Iran relations into a new direction of mutual prosperity, growth, and development. This would enable us to better shape our respective growth trajectories while transforming the global economic order and taking our rightful places amongst the developed nations.

As I conclude, allow me to reiterate, our sincere commitment towards partnering with the people and the government of the Islamic Republic of Iran, as you embark on this new chapter dedicated to rebuilding and regaining lost ground. The time is indeed ripe for us to consolidate our trade and investment ties as we walk hand-in-hand along this journey which I believe holds much promise for the economic emancipation of our people.

I thank you!